

Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 STR-04 AGRE-00 COME-00 SP-02

USIA-15 AID-05 NSC-05 TRSE-00 SS-15 OMB-01 CEA-01

CIAE-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06

LAB-04 SIL-01 ITC-01 DODE-00 PA-02 PRS-01 H-02

L-03 /099 W

-----070243Z 088248 /70

R 061726Z APR 77

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 5504

INFO AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

UNCLAS GUATEMALA 2142

E.O. 11652: N/A

TAGS: ETRD EAGR OAS

REF: STATE 65705 AND STATE 68744

1. SUMMARY: REFTELS PASSED TO SEVEN PRIVATE AND GOVERNMENTAL INTERESTED PARTIES. REPONSE GENERATED BY SUGAR PRODUCERS ASSOCIATION WITH CONCURRENCE OF GOG AND SENT BY CABLE DIRECTLY TO CHAIRMAN, TRADE POLICY STAFF COMMITTEE, STR. GUATEMALAN POSITION SUPPORTS THE DECLARATION OF LATIN AMERICAN AND CARIBBEAN COUNTRIES PRESENTED TO THE US DELEGATION TO THE SCCN OF THE OAS, MARCH 24, 1977. IN ADDITION, GUATEMALA WILL PROBABLY SEND REPRESENTATIVE TO WASHINGTON WEEK OF APRIL 11 OR 18 TO FURTHER DISCUSS SUGAR PROBLEMS. NO ACTION REQUESTED. END SUMMARY.

2. IN RESPONSE TO INFORMATION REFTELS WHICH WERE PROVIDED BY EMBASSY TO GUATEMALAN PRIVATE AND GOVERNMENTAL AUTHORITIES INVOLVED WITH SUGAR, THE GUATEMALAN SUGAR UNCLASSIFIED

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ASSOCIATION PRESIDENT, LUIS FERNANDO LEAL, AND SENOR JOSE LUIS BOUSCAYROL CALLED ON EMBASSY AND PROVIDED COPY OF TELEGRAM STATING COORDINATED GUATEMALAN GOVERNMENT AND PRIVATE SECTOR VIEW. INFORMAL TRANSLATION IS AS FOLLOWS:

3. QUOTE. WITH REFERENCE TO THE STUDY PRESENTED BY THE

INTERNATIONAL TRADE COMMISSION (SUGAR, HONEY AND MOLASSES, DERIVATIVES OF SUGAR CANE OR BEET SUGAR), THE GUATEMALAN SUGAR PRODUCERS PRESENT THE FOLLOWING OPINION THAT HAS BEEN DISCUSSED AND APPROVED BY OUR GOVERNMENT.

4. WE FULLY SUPPORT THE DECLARATION OF THE COUNTRIES OF LATIN AMERICA AND THE CARIBBEAN PRESENTED TO THE US DELEGATION AT THE SCCN/OAS MEETINGS MARCH 24, 1977. AMPLIFYING THE SECOND POINT OF THAT DECLARATION, WE WISH TO MAKE CLEAR THAT SUGAR REPRESENTS THE SECOND MOST IMPORTANT EXPORT OF GUATEMALA AND THAT NO LESS THAN 70 THOUSAND WORKERS AND THEIR FAMILIES DIRECTLY DEPEND UPON THIS INDUSTRY. THIS GROUP REPRESENTS 8 PERCENT OF THE TOTAL POPULATION OF GUATEMALA. THE SALARIES AND SOCIAL BENEFITS RECEIVED BY THESE WORKERS ARE THE BEST IN THE AGRO-INDUSTRIES OF THE COUNTRY. ANY REDUCTION IN SUGAR PRODUCTION IMPLIES A SERIOUS SOCIAL/ECONOMIC PROBLEM.

5. WE BELIEVE THAT THE SOLUTION OF PRICE AND SUPPLY PROBLEMS OF SUGAR IS AN INTERNATIONAL AGREEMENT BASED UPON THE REAL CONDITIONS OF THE WORLD INDUSTRY. THIS THINKING IS VERY SIMILAR TO THAT PRESENTED BY THE US DELEGATION AT THE MEETINGS MENTIONED ABOVE.

6. WHATEVER LIMITATION THE UNITED STATES MAY MAKE IN ITS IMPORT OF GUATEMALAN SUGAR WOULD BE SERIOUS FOR OUR ECONOMY. NONETHELESS, IF YOUR GOVERNMENT HAS TO ADOPT MEASURES, WE BELIEVE THAT THESE SHOULD BE APPLIED THRU A QUOTA SYSTEM, COUNTRY-BY-COUNTRY, BEING BASED IN THE UNCLASSIFIED

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REALITY OF THE GUATEMALAN SUGAR INDUSTRY AND OF THE ACTUAL IMPORTS OF OUR SUGAR. SIGNED LUIS FERNANDO LEAL, PRESIDENT, GUATEMALAN SUGAR PRODUCERS ASSOCIATION. UNQUOTE

7. GUATEMALA TO MEET WITH OTHER CENTRAL AMERICAN PRODUCERS EARLY WEEK OF APRIL 11, PRIOR TO SENDING A REPRESENTATIVE TO WASHINGTON. REPRESENTATIVE, WHO MAY BE LUIS FERNANDO LEAL, WILL CALL UPON PAUL PILKAUSKAS, EB/ORF.

8. COMMENT: GUATEMALAN ORAL PRESENTATION TO EMBASSY PREMISED ON EXPECTATION THAT US WILL FIND ITS BEST INTERESTS SERVED BY KEEPING LATIN AMERICAN SUPPLIERS WHOLESIN WHATEVER SYSTEM MAY BE DEVELOPED. IN VIEW OF COMMITMENT TO REGIONAL POSITION, GUATEMALA IS NOT PRESENTING SPECIFIC SUGGESTIONS WHICH WOULD MAXIMIZE GUATEMALAN RETURN. GUATEMALA FIRMLY COMMITTED TO INTERNATIONAL AGREEMENT OR BILATERAL RELATIONSHIP WHICH WILL MAINTAIN TRADITIONAL US MARKET.

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Message Attributes

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